

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22

BEFORE THE  
ILLINOIS COMMERCE COMMISSION

ILLINOIS-AMERICAN WATER COMPANY ) DOCKET NO.  
 ) 09-0400  
 )  
Petition for approval of a change )  
in method of accounting for )  
pension and other post employment )  
benefit costs. )

Springfield, Illinois  
Tuesday, November 17, 2009

Met, pursuant to notice, at 10:00 a.m.

BEFORE:

MR. LARRY JONES, Administrative Law Judge

APPEARANCES:

MR. ALBERT STURTEVANT  
JONES DAY  
77 West Wacker  
Chicago, Illinois 60601  
Ph. (312) 269-4094

(Appearing via teleconference on  
behalf of Petitioner  
Illinois-American Water Company)

SULLIVAN REPORTING COMPANY, by  
Carla J. Boehl, Reporter  
CSR #084-002710

1 APPEARANCES: (Continued)

2 MS. LINDA M. BUELL  
3 Office of General Counsel  
4 527 East Capitol Avenue  
5 Springfield, Illinois 62701  
6 Ph. (217) 557-1142

7 (Appearing on behalf of Staff  
8 witnesses of the Illinois  
9 Commerce Commission)

10 MR. MICHAEL J. LANNON  
11 Office of General Counsel  
12 160 North LaSalle, Suite C-800  
13 Chicago, Illinois 60601

14 (Appearing via teleconference on  
15 behalf of Staff witnesses of the  
16 Illinois Commerce Commission)

17 MS. SUSAN L. SATTER  
18 Assistant Attorney General  
19 100 West Randolph Street  
20 Chicago, Illinois 60601

21 (Appearing via teleconference  
22 on behalf of the People of the  
State of Illinois)

1		<u>I N D E X</u>			
2					
3	<u>WITNESS</u>	<u>DIRECT</u>	<u>CROSS</u>	<u>REDIRECT</u>	<u>RECROSS</u>
4	None .				
5					
6					
7					
8					
9					
10					
11					
12					
13		<u>EXHIBITS</u>			
14					
15				<u>MARKED</u>	<u>ADMITTED</u>
16	None .				
17					
18					
19					
20					
21					
22					

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22

PROCEEDINGS

JUDGE JONES: Good morning. I call for hearing  
Docket Number 09-0400. This is titled in part  
Illinois-American Water Company, Petition for  
approval of a change in method of accounting for  
pension and other post-employment benefit costs.

At this time would you, please, enter  
your respective appearances orally for the record?  
If you have previously entered your appearance, you  
need not repeat your business address and phone  
number unless you wish to. Let's start with the  
appearances on behalf of Illinois-American Water  
Company.

MR. STURTEVANT: Appearing on behalf of  
Illinois-American Water Company, Albert Sturtevant,  
S-T-U-R-T-E-V-A-N-T, Jones Day, 77 West Wacker,  
Chicago, Illinois 60601. My phone number is  
(312) 269-4094.

JUDGE JONES: Thank you. Commission Staff?

MS. BUELL: Appearing on behalf of Staff  
witnesses of the Illinois Commerce Commission, Linda  
M. Buell and Michael J. Lannon.

1 JUDGE JONES: Thank you. Ms. Satter?

2 MS. SATTER: My name is Susan L. Satter,  
3 S-A-T-T-E-R, representing the People of the State of  
4 Illinois, 100 West Randolph Street, Chicago, Illinois  
5 60601. We filed our Petition to Intervene today. I  
6 also have with me on the phone a law clerk, Jordan  
7 Wicker, W-I-C-K-E-R.

8 JUDGE JONES: Thank you. Are there any other  
9 appearances? Let the record show there are not.

10 I will just note up front there may be  
11 some questions with respect to intervention, cross  
12 examination of witnesses, etc., and we will get back  
13 to those during the course of this hearing this  
14 morning.

15 I want to indicate something else up  
16 front before parties spend any more time on those  
17 other questions, just so you will have the benefit of  
18 this information before proceeding with any other  
19 discussions.

20 In going through the petition and the  
21 testimony, it appears to me that much of the  
22 testimony, most of the testimony, is focused on

1     ratemaking treatment, ratemaking principles,  
2     ratemaking consequences, etc. These are important  
3     considerations, obviously. But I believe that the  
4     fact that this is a case that seeks approval of  
5     accounting treatment is one where the record here  
6     would benefit from some more testimony on that issue,  
7     if such testimony is actually available for that  
8     purpose, in other words, whether what is proposed is  
9     consistent or to what extent it is consistent with  
10    accounting rules, accounting principles, accounting  
11    systems and so on.

12                   So I don't disagree with the parties  
13    that there is an overlap there, but I believe that  
14    more testimony on the accounting side of this would  
15    be beneficial, if such information is there for  
16    parties to cover for purposes of testimony. That I  
17    will leave up to the parties, whether you believe  
18    there is more testimony that could be filed based on  
19    my comments this morning.

20                   Also just state sort of a default  
21    filing period of seven days for that. However, we  
22    can discuss the appropriate turnaround time for that

1 if the parties have other ideas. The other  
2 questions, of course, arise as to what happens after  
3 that. One option would be to set a status shortly  
4 after that, those filings, if such filings are made.  
5 On that point, again, we can see what the parties  
6 think would work the best.

7 And then, as I mentioned a few minutes  
8 ago, I realize that there is a newly filed Petition  
9 for Leave to Intervene this morning as well as an  
10 interest on the part of Ms. Satter in questioning or  
11 potentially questioning the company witness.

12 So with that, I think it might be  
13 beneficial to give the parties just a few minutes  
14 among yourselves to discuss what you think would be  
15 an appropriate next step here. But I don't offer  
16 this discussion opportunity for you to just come back  
17 and say we think it would be pointless and useless to  
18 have leave to file that testimony. If that's what  
19 you determine during the filing period, so be it.  
20 But that's not something that I intend to take off  
21 the schedule this morning based on an off-the-record  
22 discussion.

1                   Having said all that, we hereby go off  
2     the record to give the parties an opportunity to  
3     discuss briefly among yourselves all the above.

4                                 (Whereupon there was then had an  
5                                 off-the-record discussion.)

6                 JUDGE JONES:   Back on the record.   Let the  
7     record show there was an off-the-record discussion  
8     among parties for the purposes indicated.

9                         It is my understanding that the  
10    parties have come up with some proposed schedule to  
11    be read into the record at this time.   Ms. Buell?

12                 MS. BUELL:   Yes, thank you, Your Honor.   In  
13    accordance with your suggestion that the parties file  
14    additional information for the record regarding  
15    whether what the company has proposed is consistent  
16    with accounting principles, the parties have agreed  
17    to the following schedule:

18                         Supplemental testimony will be filed  
19    on November 24.   In the case of Staff, that will be  
20    supplemental direct testimony, and in the case of the  
21    company, it will be supplemental rebuttal testimony.  
22    In addition, the Attorney General is also weighing



1 the possibility of filing supplemental testimony of  
2 some sort on this issue.

3 That would be followed by an  
4 evidentiary hearing on December 7 at 2:00 p.m.

5 Initial briefs would be filed on  
6 December 31, followed by reply briefs on January 13,  
7 2010.

8 JUDGE JONES: Thank you. Are there any  
9 objections to the use of that schedule?

10 MR. STURTEVANT: That schedule is fine with the  
11 Company, Your Honor.

12 MS. SATTER: No objection.

13 JUDGE JONES: Let the record show that the  
14 schedule just read into the record is hereby put into  
15 place in this docket. It is in effect.

16 Do the parties have anything else for  
17 the record this morning?

18 MS. BUELL: Staff has nothing further, Your  
19 Honor.

20 MR. STURTEVANT: Nothing for the Company, Your  
21 Honor.

22 MS. SATTER: No, thank you.

1           JUDGE JONES: All right. At this time then let  
2 the record show that today's hearing is over. At the  
3 conclusion of it, this matter will be continued to  
4 the evidentiary hearing date of December 7 at 2:00  
5 p.m.

6                   Our thanks to Mr. Sturtevant for  
7 circulating the call-in number for this morning's  
8 hearing.

9                   At this time let the record show this  
10 matter is hereby continued to an evidentiary hearing  
11 on December 7 at 2:00 p.m.

12                               (Whereupon the hearing in this  
13 matter was continued until  
14 December 7, 2009, at 2:00 p.m.  
15 in Springfield, Illinois.)

16  
17  
18  
19  
20  
21  
22